

Message Text

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ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 EB-08 USIA-15 /036 W

-----221017Z 010929 /11

R 220951Z JAN 77

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 9033

INFO AMCONSUL BORDEAUX

AMCONSUL LYON

AMCONSUL MARSEILLE

AMCONSUL NICE

AMCONSUL STRASBOURG

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E. O. 11651: N/A

TAGS: BEXP, FR

SUBJECT: FY-77 CCP: FIRST QUARTER PROGRESS REPORT

REF: A. STATE 291642, NOVEMBER 30, 1976 B. PARIS
10886, APRIL 13, 1976.

1. COUNTRY COMMERCIAL ACTION GROUP'S (CCAG) REPORT ON
FY 77 CCP FIRST QUARTER PROGRESS FOLLOWS. COMMENTS ARE
LIMITED TO SIGNIFICANT VARIATIONS FROM TARGETED RE-
QUIREMENTS EXCEPT FOR TRADE OPPORTUNITY (TO) COUNT
WHICH IS GIVEN FOR EACH CAMPAIGN. WE ALSO COMMENT ON
POINTS RAISED IN REFTEL A.

2. ECONOMIC SETTING. WHILE WCAG OBVIOUSLY AWARE OF
STATE OF FRENCH ECONOMY, WE BELIEVE IT USEFUL TO RE-
CAPITULATE MAIN TRENDS SINCE IT IS AGAINST THIS BACK-
GROUND THAT CAMPAIGN RESULTS SHOULD BE EVALUATED.

A. PLAN BARRE. WITH INFLATION STUBBORNLY MOVING
AT DOUBLE-DIGIT RATE (10-11 PERCENT IN FY-77 FIRST
QUARTER) FRANC CONTINUING TO SLIDE RELATIVE TO DOLLAR
AND TRADE ACCOUNT RUNNING IN SUBSTANTIAL DEFICIT,
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GOF INTRODUCED STABILIZATION PROGRAM IN NOVEMBER
TO REDUCE INFLATION AND TO IMPROVE TRADE BALANCE.

THIS PROGRAM HAS GENERALLY NEGATIVE IMPACT ON IMPORTS.

B. GROWTH PATH. WHILE FRENCH ECONOMY GREW BY 5 PERCENT
OVERALL IN 1976, PACE OF ACTIVITY DECELERATED IN LAST
QUARTER AND CONTINUED SLOWER GROWTH IS EXPECTED THROUGH
FIRST HALF CY 77 WITH EXPECTED YEAR OVER YEAR INCREASE

OF ONLY 3 PERCENT.

C. INVESTMENT. WHILE IN FY 77 CCP WE ARE CONCENTRATING MORE ON HIGHER TECHNOLOGY THEMES, WHICH TEND TO BE LESS AFFECTED BY FLUCTUATIONS IN BUSINESS CYCLE, INVESTMENT OUTLOOK-WEAK OVERALL WITH MAJOR IMPULSE COMING FROM PUBLIC SECTOR INVESTMENT - CASTS DOUBT ON MEETING CCP GOALS.

3. CAMPAIGN ACTIVITIES

A. CAMPAIGN 1 (BUSINESS EQUIPMENT).

ITEM 1. AS EXPERIMENT EMBASSY UNDERTOOK UNIVERSE "MAILING" VIA TELEX TO 65 FIRMS WHICH ARE MEMBERS OF NATIONAL SOCIETY OF IMPORTERS OF BUSINESS EQUIPMENT. WE PLAN FOLLOW-UP LETTER TO THESE FIRMS AND 70 ADDITIONAL MEMBERS TO INVITE TO BUSINESS EQUIPMENT SHOW. INITIAL RESPONSE TO TELEX APPROACH QUITE FAVORABLE AND WE PLAN TO EVALUATE CAREFULLY THIS RELATIVELY INEXPENSIVE METHOD OF GENERATING TO'S. MAILING TO OTHER AGENTS AND END-USERS DELAYED SINCE FTI LABELS REQUESTED HAVE NOT BEEN RECEIVED.

ITEM 4. NINE TO'S WERE SUBMITTED VERSUS 5 TARGETED.

B. CAMPAIGN 2 (LABORATORY INSTRUMENTATION)

ITEM 1. UNIVERSE MAILING WAS DELAYED UNTIL JANUARY SINCE FTI MAILING LABELS WERE NOT RECEIVED UNTIL LATE DECEMBER.

ITEM 3. EIGHTEEN TO'S WERE GENERATED VERSUS 5 TARGETED. BUSINESS INFORMATION OFFICE AT ENVIRONMENT SHOW DECEMBER 7 TO 11 ATTRACTED LARGE NUMBER OF VISITORS INTERESTED IN INSTRUMENTATION, THEREBY BOOSTING NUMBER OF TO'S TO THIS HIGH LEVEL.

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C. CAMPAIGN 3 (METALWORKING AND FINISHING EQUIPMENT)

ITEM 1. WE HAVE NOT YET RECEIVED GMS SPECIFICATIONS.

ITEM 5. IN REFINING EMBASSY LISTINGS (ITEM 4) WE CAME UP WITH NAMES OF 47 FIRMS NOT YET ON FTI; PIR'S ARE NOW IN PREPARATION.

ITEM 7. FOUR METALWORKING PLANTS WERE VISITED, THUS MEETING ENTIRE FY 77 OBJECTIVE. HOWEVER, MORE METAL WORKING PLANTS WILL BE VISITED DURING REMAINDER OF FY 77.

ITEM 8. NO MAJOR PROJECT WAS IDENTIFIED.

ITEM 9. THIRTEEN TO'S WERE GENERATED VERSUS 10 TARGETED.

D. CAMPAIGN 4 (CONSUMER GOODS)

(A NEW COMMERCIAL ASSISTANT, OLIVER COLETTE JOINED THE CONSUMER GOODS UNIT BEGINNING OF NOVEMBER).

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ACTION EB-08

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ITEM 2. THIRTY SEVEN TO'S WERE SUBMITTED VERSUS 30
TARGETED.

ITEM B. ONE PTR IS IN PREPARATION AND WILL BE SUB-
MITTED DURING SECOND QUARTER.

ITEM 9. DITTO REGARDING UPDATED INDUSTRY REPORT.

COMMENT. NON-ACHIEVEMENT OF ACTION ITEMS 8 AND 9
ESSENTIALLY DUE TO FACT CONSUMER GOODS UNIT WAS UNDER-
STAFFED DURING PART OF QUARTER AND NEW ASSISTANT WAS
LEARNING ROPES. HOWEVER, UNIT HAS ALSO BEEN TASKED
BY WASHINGTON WITH A NUMBER OF SPECIAL PROJECTS, E. G.
ELECTRONIC WATCH STUDY FOR USITC, MARKETING INFORMA-
TION REQUEST ON SQUID FOR NATIONAL MARINE FISHERIES
SERVICE, USDOC.

E. CAMPAIGN 5 (ENERGY SYSTEMS)

ITEM 1. NO INSTRUCTIONS YET RECEIVED FROM USDOC TO
SUPERVISE CONTRACT STUDY TO UPDATE AND EXPAND SCOPE OF
FY 75 GMS ON ELECTRICAL ENERGY SYSTEMS. IS THIS BEING
PLANNED? SUPPLEMENTARY REPORT WAS ISSUED IN FEBRUARY
1976.

ITEM 5. TEN TO'S WERE SUBMITTED VERSUS 5 TARGETED.

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ITEM 8. GRANTEE FOR ENERGY INDUSTRY WILL BE NOMINATED
IN JANUARY 1977. ITEM 11. FOUR LICENSING OPPORTUNITIES

WERE GENERATED VERSUS 2 TARGETED.

4. NON-CAMPAIGN INITIATIVE ACTIVITIES A. ACTIVITY

7 (EXPANSION OF FTI) .IN VIEW OF IMPORTANCE WE ATTACH TO THIS ACTIVITY, WE HAVE AGAIN ASSIGNED ONE PERSON FULL TIME, STARTING END 1976, TO UPDATING FTI AND PREPARING PIR'S (TARGET OF 40 PER MONTH)

B. ACTIVITY 8 (INVEST IN USA). THIS THEME, AMONG OTHERS, WAS PROMOTED DURING SERIES OF MEETINGS BY COMMERCIAL COUNSELOR WITH BORDEAUX BUSINESSMEN DECEMBER

7-8. RESULTS WERE MODEST, AS EXPECTED, SINCE BORDEAUX IS NOT DECISION-MAKING CENTER FOR FRENCH BUSINESSES NOR SITE OF MANY LARGE FRENCH FIRMS.

C. ACTIVITY 11 (SPECIALIZED AGRICULTURAL EQUIPMENT). WE HAVE BEEN TENTATIVELY ALLOTTED GRATIS SPACE AT AGRICULTURAL MACHINERY EXHIBITION IN MARCH, 1977, BUT THIS MAY FALL THROUGH. ARE FUNDS AVAILABLE TO RENT SPACE IF NECESSARY? IN THAT EVENT, TOTAL COST OF BIO MAY REACH \$1,000.

5. SPECIAL PROJECTS: EVALUATION OF VSMF.

VISUAL SEARCH MICROFILM FILE (VSMF) OPERATION WENT INTO HIGH GEAR DURING QUARTER. EMPLOYEES WERE TRAINED IN USE OF MACHINE BY IHS REPRESENTATIVE AND PROTECTIVE BOXES WERE CONSTRUCTED TO PERMIT SAFE TRANSPORT OF EQUIPMENT TO TC SHOWS AND OTHER EXHIBITIONS. VSMF WAS CENTER PIECE OF EMBASSY BIO AT ENVIRONMENT SHOW AND ATTRACTED MANY VISITORS TO STAND PROVIDING OPPORTUNITY NOT ONLY TO EXPLAIN VSMF BUT OTHER COMAFF SERVICES AS WELL. ONE FRENCH IMPORTER SAID IT SAVED HIM 6 MONTHS OF RESEARCH ON AVAILABLE US TECHNOLOGY. TEN BUSINESSMEN LATER VISITED EMBASSY TO USE VSMF AND EXPRESSED SATISFACTION RE INFORMATION OBTAINED. WE PLAN TO USE VSMF AT MOST TC SHOWS DURING REMAINDER OF FISCAL YEAR AS WELL AS AT EMBASSY BIO'S. WE ARE SO FAR PLEASED WITH VSMF BUT WILL NEED TO PROMOTE IT MORE (VIA SHOWS AND UNCLASSIFIED

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CONTINUED ADVERTISING IN COMMERCIAL NEWSLETTER, ETC.) BEFORE WE CAN DECIDE WHETHER IT IS GENERALLY USEFUL TOOL OR JUST INTERESTING, EYE-CATCHING GIMMICK. FOR EXAMPLE, ONLY 10 OF 33 EXHIBITORS AT USTC SHOW, HYPER 77,

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HAD MATERIAL ON VSMF CASSETTES.

6. COMMENTS ON REFTEL A.

A. PARAGRAPH 2. WE HAVE IMPLEMENTED NECESSARY ORGANIZATIONAL ADJUSTMENTS RESULTING FROM (ONE OFFICER) DECREASE IN PERSONNEL AND DO NOT BELIEVE ANY CHANGES ARE AT PRESENT REQUIRED IN FY-77 CCP. AS WCAG WILL HAVE NOTED, WE ARE MORE OR LESS ON TARGET FOR FIRST QUARTER; INDEED TO OUTPUT SUBSTANTIALLY EXCEEDS CCP TARGETS. SINCE WE VIEW THIS AS LEADING INDICATOR OF "SUCCESS" OR "FAILURE", WE ARE NOT OVERLY CONCERNED ON PERSONNEL SIDE SO LONG AS NO ADDITIONAL OFFICER REDUCTIONS ARE EFFECTED. HOWEVER, ADDITIONAL FSL-6 CLERICAL POSITION URGENTLY NEEDED (SEE PARA 3, REFTEL B).

B. PARAGRAPH 4. WE SHALL GIVE PRIORITY DURING SECOND QUARTER TO UPDATE OF CONSUMER GOODS SURVEY (SEE PARA 3 D ABOVE). CONSUMER GOODS UNIT CHIEF WILL VISIT LYON TO SUPPORT PROMOTION ACTIVITIES PLANNED THERE.

C. PARAGRAPH 6. WE WELCOME FRANCE/BENELUX GROUP'S EFFORT TO IMPROVE FLOW OF PRODUCT/INDUSTRY INFORMATION
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AND LOOK FORWARD TO IMPLEMENTATION OF METHODS SUGGESTED.
RUSH.

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